

**AGENDA**  
**AUDIT & ADMINISTRATION COMMITTEE MEETING**  
**Held In Room 318**  
**PUTNAM COUNTY OFFICE BUILDING**  
**CARMEL, NEW YORK 10512**

**Members: Chairman Castellano, Legislators Albano & Nacerino**

**Tuesday** **6:30 PM** **August 27, 2013**

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The meeting was called to order at 6:35 P.M. by Chairman Castellano who requested Legislator Albano lead in the Pledge of Allegiance. Upon roll call, Legislators Albano and Nacerino and Chairman Castellano were present.

**Item # 3 - Approval of Minutes – June 24, 2013**  
**July 30, 2013**

Chairman Castellano made a motion to approve the minutes as submitted; Seconded by Legislator Nacerino. All in favor.

Chairman Castellano made a motion to move agenda items 8a, 8b, and 8c forward; Seconded by Legislator Nacerino. All in favor.

**Item # 8 - Risk Management**

**a) Approval/Risk Management/Full-Time Countywide Safety Officer – New Position (see Item #8b) (also reviewed by Physical Services Committee)**

Chairman Castellano made a motion to approve the new position of full-time Countywide Safety Officer; Seconded by Legislator Albano. All in favor.

Legislator LoBue questioned what the physical cost of this position will be.

Commissioner of Finance Bill Carlin stated the position costs \$59,000 and the fiscal impact for 2013 is \$26,337.

Legislator LoBue questioned where the money is coming from.

Commissioner Carlin stated the money is coming from contingency for this year and will be budgeted next year.

Legislator Albano questioned if there was a Safety Officer position made available a few years ago.

Senior Deputy County Attorney for Risk and Compliance Adrienne Spadaccini stated that there was, however that person was solely for the highway department and has been out on a work related injury. She stated this is needed throughout the County rather than just one department.

Legislator Nacerino stated she had seen a posting, then a revised posting for this position. She questioned if the original posting scheduled this position to begin January 1, 2014. She stated an incident had recently occurred, which caused the need for this position. She questioned how long it was out of compliance and stated that this should have been addressed prior to an event occurring.

Senior Deputy County Attorney for Risk and Compliance Spadaccini stated the County is building a safety program from the ground up. She stated the mandates on both the State and Federal level need to be addressed by the County.

Legislator Nacerino questioned if this encompasses the whole County.

Senior Deputy County Attorney for Risk and Compliance Spadaccini stated it will encompass any facility owned by the County.

Legislator Nacerino questioned where the employee would be housed.

Senior Deputy County Attorney for Risk and Compliance Spadaccini stated they will most likely be housed at the Risk Department however, as it is not a desk job, the person will be traveling to different departments.

Legislator Nacerino questioned who would be responsible for producing the annual report.

Senior Deputy County Attorney for Risk and Compliance Spadaccini stated the OSHA logs come out of the Risk Department.

Chairman Castellano questioned when the person will be hired.

Senior Deputy County Attorney for Risk and Compliance Spadaccini stated the exam is in October and when the list is produced, the person will be selected.

Chairman Castellano questioned if someone will be hired until the provisional exam.

Senior Deputy County Attorney for Risk and Compliance Spadaccini stated there are pros and cons of hiring off the provisional list; it is being thought over.

Legislator Albano stated about a year ago, he went around the County and saw the many exposures. He stated a case recently came up that was 220 volts for lighting.

Chairman Castellano made a motion to move this matter to the Full Legislature Meeting; Seconded by Legislator Albano. All in favor.

**b) Approval/Budgetary Amendment (13A058)/Risk Management-Law/Full-Time Countywide Safety Officer – New Position**

Chairman Castellano made a motion to move Budgetary Amendment 13A058 to the Full Legislature Meeting; Seconded by Legislator Nacerino. All in favor.

**c) Approval/Risk Management/Lock Out/ Tag Out Policy (also reviewed by Physical Services Committee)**

Chairman Castellano made a motion to move the Lock Out/Tag Out policy to the Full Legislature Meeting; Seconded by Legislator Nacerino. All in favor.

**Item # 4 - 2012 Toski & Co., PC., Audit Report/Joseph Klimek**

Joseph Klimek handed out a condensed packet, which he read from. He stated the County had successfully found financial statements with the GFOA for yearend December 31, 2012. He stated the first item is the report to the Legislature. Toski & Co., PC was hired to audit management's financial statements, which are prepared and overseen by management. He stated the Legislature is responsible to oversee management's financial statements to ensure they are in accordance with accounting principles. He stated the County implemented three new Government Accounting Standards Boards pronouncements, # 62, # 63, and # 65. He stated the financial statements contain many accounting estimates. He stated at the end of the year, the liability Other Post-Employment Benefit Obligation was \$67 million. He also stated no fraudulent activity was found through the audit. He stated there were four reports issued. In the first, Independent Auditor's Report on Financial Statements there was an unmodified opinion, no material weakness identified in internal controls over Financial Reporting and no significant deficiencies identified. The second report, Compliance for Each Major Federal Program on Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 audited the Medical Assurance Program. He stated the County complied with requirements. He stated the schedule of expenditures on Federal awards was fairly stated; there were no material weaknesses and no significant deficiencies identified. The third report, Independent Auditor's Report on Internal Control Financial Reporting and Compliance found no deficiencies considered to be material weaknesses and no noncompliance. The final report, New York State Department of Transportation Single Audit found that the County complied with the State Transit Operating Assistance Program. He stated there were no material weaknesses identified and no significant deficiencies. He further stated the Schedule of State Transportation Assistance Expended was fairly stated. He stated as for the Schedule of Findings and Questioned Costs, under the financial statements there was an unmodified opinion, no material weakness, no significant deficiencies, and no non-compliance. Under the Federal Awards there was no material weakness, no significant deficiencies, an unmodified auditor's report, no findings

required to be reported in accordance with OMB Circular A-133, the major program was the Medical Assistance Program, the dollar threshold used to distinguish between type A and B programs was \$1,724,167, and the auditee qualified as low risk.

## Financial Highlights

Legislator Oliverio questioned what the current fund balance was for 2013.

Commissioner Carlin stated the County is doing well in aspects that are controllable, while the uncontrollable aspects are more of a struggle.

Legislator Oliverio stated the fund balance reflects an excess in the budget year to year.

Commissioner Carlin stated the County strives to keep their fund balance as high as possible.

Joseph Klimek stated there was a change made in 2010 in the General Fund to include non-spendable, restricted, assigned and unassigned, and to exclude reserved and non-reserved.

Legislator LoBue questioned why some information was not applicable since 2010.

Joseph Klimek stated this was because the Governmental Accounting Standards Board Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" changes the categories of fund balance effective for year ended December 31, 2010. He stated unreserved and unassigned are about the same.

## **Item # 5 - Correspondence/County Auditor**

### **a) Sales Tax Report**

Chairman Castellano stated for the month of July, sales tax was up and it seems the County will meet its projections for the year.

Legislator Oliverio stated compared to this time last year, the County is up \$1.1 million. He stated oil is now \$109 per barrel and he estimated the County will exceed the projected Sales Tax Revenue.

Ann Fanizzi, constituent, questioned if Commissioner Carlin had figures regarding regional retail sales tax.

Commissioner Carlin stated he does have the figures; however he cannot share them due the Sales Tax Confidentiality Laws.

Legislator Albano stated there may be a way to check these figures by zip code on the State website.

**b) Board In Revenue Report**

Chairman Castellano stated the County met their projection for 2013. He stated this means Putnam is not taking inmates from other Counties.

**c) OTB Report**

Chairman Castellano stated that the County saw larger sums in the summer in the previous two years.

**d) Transfer/Revenue Report – Duly Noted**

**e) Contingency/Sub-Contingency Report**

Chairman Castellano stated this will be voted on at the Full Legislature meeting.

**Item # 6 - Correspondence/Commissioner of Finance**

**a) Overtime/Temporary Report – Duly Noted**

**b) Approval/Budgetary Amendment (13A046)/Health/Child Fatality Prevention Grant (also reviewed by the Health Committee)**

Chairman Castellano made a motion to move Budgetary Amendment 13A046 to the Full Legislative Meeting; Seconded by Legislator Nacerino. All in favor.

**c) Approval/Budgetary Amendment (13A047)/Health/Early Intervention (also reviewed by the Health Committee)**

Chairman Castellano made a motion to move Budgetary Amendment 13A047 to the Full Legislative Meeting; Seconded by Legislator Nacerino. All in favor.

**d) Approval/Budgetary Amendment (13A048)/Office for Aging/Medical Transportation Motor Vehicles**

Chairman Castellano made a motion to move Budgetary Amendment 13A048 to the Full Legislative Meeting; Seconded by Legislator Albano. All in favor.

**Item # 7 - 2012-2013 NYS Snow and Ice Agreement**

**a) Approval/Acceptance of Amendment B 2012-2013 NYS Snow and Ice Agreement (see Item #7b) (also reviewed by Physical Services Committee)**

Chairman Castellano made a motion to move Amendment B 2012-2013 NYS Snow and Ice Agreement to the Full Legislative Meeting; Seconded by Legislator Albano. All in favor.

**b) Approval/Budgetary Amendment (13A053)/Acceptance of Amendment B 2012-2013 NYS Snow and Ice Agreement**

Chairman Castellano made a motion to move Budgetary Amendment 13A053 to the Full Legislative Meeting; Seconded by Legislator Nacerino. All in favor.

**Item # 9 - Approval/Fund Transfer (13T165)/Sheriff/Purchase Vehicle for Corrections Division (also reviewed by Protective Services Committee)**

Chairman Castellano made a motion to move Fund Transfer 13T165 to the Full Legislative Meeting; Seconded by Legislator Nacerino. All in favor.

**Item # 10 - Approval/Fund Transfer (13T169)/Health/Nursing Education/Training (also reviewed by Health Committee)**

Chairman Castellano made a motion to approve Fund Transfer 13T169; Seconded by Legislator Nacerino. All in favor.

**Item # 11 - Approval/Fund Transfer (13T170)/Health/Health Education Temporary (also reviewed by Health Committee)**

Chairman Castellano made a motion to approve Fund Transfer 13T170; Seconded by Legislator Nacerino. All in favor.

**Item # 12 - Approval/Fund Transfer (13T175)/Finance/Putnam Golf Course Contracts (also reviewed by Physical Services Committee)**

Legislator LoBue stated the County had been paying three entities to the golf course since April without contracts. She stated if this is approved, the bill will be over \$1 million.

Legislator Nacerino stated the expenditures are necessary and expected.

Legislator Oliverio stated the Legislators are not aware of what is taking place and communication is the key factor.

Legislator Othmer stated people who left owe \$500,000. He stated there were basic cosmetic issues and safety issues resolved, but nothing major that would affect the blue print of the building. He further stated the County has an obligation to those who hold events there.

Legislator Oliverio stated the Legislators must be informed of remodeling such as this.

Legislator Albano stated the money used in this instance was money that was already available.

Legislator LoBue questioned if anyone knows the revenues and expenditures at the golf course. She stated Highway had been working overtime and questioned where the cost for that was coming from.

Legislator Albano stated that with the contract, the money is already designated.

Commissioner Carlin stated the original budget was set with \$1.65 million in revenue and \$1.65 in expenses.

Legislator Scuccimarra stated revenue is being received, so there is some balancing of the expenditures and the revenue coming in.

Legislator LoBue questioned if the amount of revenue generated was known.

Legislator Nacerino stated the golf course was inherited and it is important that it is run effectively. She stated the money spent was necessary. She stated accountability is needed.

Legislator Albano stated neglected issues need to be addressed.

Chairman Castellano questioned if the County could have a copy of the most recent revenue report and the contracts.

Legislator Othmer stated next year will be a true account of investment in the golf course because there will be no expenditures for construction and revenue will be coming in from events held.

Chairman Castellano made a motion to move this to the Full Legislative Meeting; Seconded by Legislator Nacerino. All in favor.

**Item # 13 - Approval/Fund Transfer (13T187)/Health/Rabies Client Specific Services**

Chairman Castellano made a motion to approve Fund Transfer 13T187; Seconded by Legislator Nacerino. All in favor.

**Item # 14 - Approval/ Fund Transfer (13T198)/Highway/Fund Temporary Line**

Legislator Albano made a motion to approve Fund Transfer 13T198; Seconded by Chairman Castellano. All in favor.

**Item # 15 - Approval/Authorization/Legislators to Attend September New York State Association of Counties Fall Seminar**

Chairman Castellano made a motion to move this to the Full Legislative Meeting for approval; Seconded by Legislator Albano. All in favor.

**Item # 16 - Discussion/Tilly Foster Farm Financial Report & Operating Report/Commissioner Carlin**

Legislator Oliverio stated he requested for an outside auditor to review all financials and report back to the Legislature.

Legislator Othmer stated he agreed and George Whipple owes the Legislature quarterly reports. He stated he would like to see the farm succeed.

Legislator LoBue stated she had requested subleases and Mr. Whipple is not in compliance as he is supposed to appear four times a year to make a financial report and has only come three times in the past five years. She stated the foundation should come in and give the reports. She stated this is a \$4 million acquisition and the lease is up for renewal as of January 1, 2014. She stated Mr. Whipple has made capital improvements, which he is supposed to have written approval for.

Legislator Othmer stated this may warrant a Special Audit Meeting just for the Tilly Foster Farm discussion.

Legislator LoBue stated that Mr. Whipple raised \$700,000 and the County is footing the bill for the rest.

Legislator Oliverio stated the County installed separate electric boxes on the farm so the Society of Preservation could have their own electric, not paid for by the County. He stated Mr. Whipple refuses to pay the electric bill.

Legislator Othmer stated this was voted in under a different administration, as the only Legislators who remain are Legislator Oliverio, Legislator LoBue, and himself. He stated the current administration has only been here for two years and therefore have inherited this issue.

Legislator LoBue stated she would like an account of all the money that has been spent on Tilly Foster Farm from 2009 to the present.

Ann Fanizzi, constituent, stated many meetings were held in 2011 about these issues. She stated the problems were brought to elected officials of the County. She stated she had contributed a great deal of money because Tilly Foster Farm was very important to her, however she did not have standing in the matter. She stated this property must be protected and that it can be salvaged.



Legislator Nacerino stated the County needs to enforce what needs to be done.

Legislator Albano questioned what the cost to the County is and what it would cost if it were closed.

Legislator Oliverio stated the County must ensure that the lease is adhered to.

Legislator Albano stated that until the numbers are looked at, the County does not know where it is going.

Legislator Othmer stated Mr. Whipple needs to be held accountable and help make the farm succeed.

Ann Fanizzi, constituent, questioned if Mr. Whipple had complied with the business plan.

Legislator Albano stated all the information should be compiled, and then a plan can be designed.

**Item # 17 - County Deposits & Investments Report Second Quarter Ending June 30, 2013/FYI – Duly Noted**

**Item # 18 - Item Pricing Waiver Program/Revenue Received as of August 19, 2013/FYI – Duly Noted**

**Item # 19 - Schedule of Revenues/Fines Levied by Boards/FYI – Duly Noted**

Chairman Castellano made a motion to move agenda item 21, Other Business; Seconded by Legislator Nacerino. All in favor.

Legislator Albano made a motion to waive the rules and accept the other business; Seconded by Legislator Nacerino. All in favor.

**Item # 21 - Other Business**

**a) Approval/Budgetary Amendment (13A059)/Sheriff/Inmate T Commission Use of Reserve/Overhead Doors/Nelsonville Substation**

Chairman Castellano made a motion to move Budgetary Amendment 13A059 to the Full Legislative Meeting; Seconded by Legislator Nacerino. All in favor.

**b) Approval/Budgetary Amendment (13A061)/Health/Eliminate Position**

Chairman Castellano made a motion to move Budgetary Amendment 13A061 to the Full Legislative Meeting; Seconded by Legislator Albano. All in favor.

**c) Approval/Litigation Settlement/Watts v. County of Putnam**

Chairman Castellano made a motion to move the litigation settlement to the Full Legislative Meeting; Seconded by Legislator Nacerino. All in favor.

**Item # 20 - RFP/Outside Auditors**

At 8:22 Chairman Castellano made a motion to move into Executive Session; Seconded by Legislator Nacerino. All in favor.

**Item # 22 – Adjournment**

There being no further business at 8:30 p.m. Chairman Castellano made a motion to adjourn; Seconded by Legislator Albano. All in favor.

Respectfully submitted by Beth Green, Administrative Assistant.